

JUSTIFICATION OF ESTIMATES

The Administration's Proposed Appropriation Language

LIMITATION ON ADMINISTRATION

For necessary expenses for the Railroad Retirement Board for administration of the Railroad Retirement Act and the Railroad Unemployment Insurance Act [\$103,370,000] *\$102,543,040*, to be derived in such amounts as determined by the Board from the railroad retirement accounts and from moneys credited to the railroad unemployment insurance administration fund. (*Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2005.*)

Explanation of Proposed Appropriation Language

<u>Appropriation language</u>	<u>Explanation</u>
For necessary expenses for the Railroad Retirement Board for administration of the Railroad Retirement Act and the Railroad Unemployment Insurance Act [\$103,370,000] <i>\$102,543,040</i> , to be derived in such amounts as determined by the Board from the railroad retirement accounts and from moneys credited to the railroad unemployment insurance administration fund.	This budget request is for funds to administer the railroad retirement/survivor and unemployment/sickness insurance benefit programs under a single administrative account. The Limitation on Administration Account draws on the following trust fund accounts for funding: Railroad Retirement Account, Social Security Equivalent Benefit Account, and the Railroad Unemployment Insurance Administration Fund.

Authorizing Legislation

<u>Legislation</u>	<u>2005</u>		<u>2006</u>	
	<u>Authorized</u>	<u>Current estimate</u>	<u>Authorized</u>	<u>Appropriation request</u>
Authorizing legislation -- Railroad Retirement Act: Section 15(a), first two sentences of section, and Section 15A(c)(1)	Indefinite	\$102,543,040 <u>a/</u>	Indefinite	\$102,543,040
Authorizing legislation -- Railroad Unemployment Insurance Act: Section 11(a)				

a/ This amount reflects the level of funding provided by the Consolidated Appropriations Act, 2005 (P.L. 108-447), less a rescission of 0.80 percent.

Section 15(a) of the Railroad Retirement Act:

"The Railroad Retirement Account established by section 15(a) of the Railroad Retirement Act of 1937 shall continue to be maintained in the Treasury of the United States. There is hereby appropriated to such Account for each fiscal year, beginning with the fiscal year ending June 30, 1975, to provide for the payment of benefits to be made from such Account in accordance with the provisions of section 7(c)(1) of this Act, and to provide for expenses necessary for the Board in the administration of all provisions of this Act, an amount equal to amounts covered into the Treasury (minus refunds) during each fiscal year under the Railroad Retirement Tax Act."

Section 15 A(c)(1) of the Railroad Retirement Act:

"Except as otherwise provided in this section, amounts in the Social Security Equivalent Benefit Account shall be available only for purposes of paying social security equivalent benefits under this Act and to provide for the administrative expenses of the Board allocable to social security equivalent benefits."

Section 11(a) of the Railroad Unemployment Insurance Act:

"The Secretary of the Treasury shall maintain in the unemployment trust fund established pursuant to section 904 of the Social Security Act an account to be known as the railroad unemployment insurance administration fund. This unemployment insurance administration fund shall consist of (i) such part of all contributions collected pursuant to section 8 of this Act as equals 0.65 per centum of the total compensation on which such contributions are based; (ii) all amounts advanced to the fund by the Secretary of the Treasury pursuant to this section; (iii) all amounts appropriated by subsection (b) of this section; and (iv) such additional amounts as Congress may appropriate for expenses necessary or incidental to administering this Act. Such additional amounts are hereby authorized to be appropriated."

ADMINISTRATIVE EXPENSES a/
Budget Authority By Object Classification

<u>Limitation on Administration</u>	Fiscal year 2004	Fiscal year 2005	Fiscal year 2006	Increase or
<u>Direct obligations by object class</u>	<u>actual amounts(\$) b/c/</u>	<u>estimated amounts(\$) c/d/</u>	<u>estimated amounts(\$) e/</u>	<u>decrease(\$)</u>
Personnel compensation:				
Full-time permanent	65,173,000	62,718,000	62,098,000	(620,000)
Positions other than permanent	1,036,000	1,118,000	1,005,000	(113,000)
Other personnel compensation	<u>989,000</u>	<u>955,000</u>	<u>874,000</u>	<u>(81,000)</u>
Total personnel compensation	67,198,000	64,791,000	63,977,000 e/	(814,000)
Personnel benefits: civilian	14,270,000	14,441,000	14,331,000	(110,000)
Benefits for former personnel	194,000	2,150,000	473,000 f/	(1,677,000)
Travel and transportation of persons	534,000	590,000	606,000	16,000
Transportation of things	106,000	120,000	125,000	5,000
Rental payments to GSA g/	4,224,000	4,150,000	3,950,000	(200,000)
Communications, utilities, and miscellaneous charges	4,177,000	4,464,000	4,384,000	(80,000)
Printing and reproduction	245,000	246,000	275,000	29,000
Consulting services	536,000	634,000	593,000	(41,000)
Other services	8,158,000	8,960,000	12,195,000 h/	3,235,000
Supplies and materials	607,000	650,000	693,000	43,000
Equipment	<u>390,000</u>	<u>1,347,000</u>	<u>941,000</u>	<u>(406,000)</u>
Total, direct obligations	100,639,000	102,543,000	102,543,000 i/	0
Unobligated balance	<u>63,000</u>	<u>==</u>	<u>==</u>	<u>==</u>
Total budget authority	<u>100,702,000</u>	<u>102,543,000</u>	<u>102,543,000</u>	<u>0</u>

- a/ In addition to the amounts shown, the Office of Inspector General is requesting, in a separate justification document, \$7,195,968 for administrative expenses in fiscal year 2006.
- b/ Amounts reflect the actual use of the \$101.3 million appropriation to the Limitation on Administration received under Public Law 108-199 in fiscal year 2004, less a rescission of \$597,670, rounded to the nearest thousand dollars.
- c/ The Limitation on Administration excludes \$6.3 million in fiscal year 2004 that the RRB expects to be reimbursed from the Centers for Medicare and Medicaid Services (for conducting Medicare activities) and others. Amounts for fiscal years 2005 and 2006 exclude \$6.3 million and \$6.4 million, respectively, that the RRB expects to be reimbursed from the Centers for Medicare and Medicaid Services and others in each of these years.
- d/ Reflects the Consolidated Appropriations Act, 2005 (P.L. 108-447), which provides \$102,543,040 (an appropriation of \$103,370,000, less a rescission of \$826,960) for fiscal year 2005, rounded to the nearest thousand dollars.
- e/ This amount includes a locality-based comparability and cost-of-living increase of 2.6% effective January 2006, in accordance with OMB guidance.
- f/ The fiscal year 2006 amount includes reduction-in-force costs of \$223,000 for 18 employees and \$250,000 for normal unemployment insurance and workers' compensation.
- g/ Reflects the payment of actual costs to the General Services Administration (GSA) for the rental of space.
- h/ This amount includes an estimated \$3,800 for education and training of the acquisition workforce (OMB Circular A-11, Section 112.3). This also includes funding for a contract with a nongovernmental disbursement agent for railroad retirement benefits and \$449,000 for security provided by the Federal Protective Service.
- i/ The Railroad Retirement Board expects to spend \$10,000 on energy conservation measures in fiscal year 2006 (OMB Circular A-11, Section 112.3).

Note: Amounts shown in the table are rounded to the nearest thousand.

SUMMARY OF CHANGES 1/

	<u>Appropriation total</u>
FY 2005 appropriation.....	\$102,543,000 <u>2/</u>
FY 2006 estimate	<u>\$102,543,000</u>
Net change.....	\$ 0

	<u>2005 Current (Base)</u>		<u>2006 Change from Base</u>	
	<u>FTE's</u>	<u>Budget authority</u>	<u>FTE's</u>	<u>Budget authority</u>
<u>Increases:</u>				
<u>Program:</u>				
1. Costs associated with a reduction-in-force of 18 employees	----	0	----	\$ 223,000
2. Benefits for former employees (excluding reduction-in-force costs)	----	225,000	----	25,000
3. Travel	----	590,000	----	16,000
4. Transportation of things	----	120,000	----	5,000
5. Printing and reproduction	----	246,000	----	29,000
6. Other services (including a net increase of \$2.1 million for the nongovernmental disbursement agent)	----	8,960,000	----	3,235,000
7. Supplies	----	650,000	----	<u>43,000</u>
Total increases				<u>\$3,576,000</u>
<u>Decreases:</u>				
<u>Built-in:</u>				
1. Net change related to full-time and part-time salaries: loss of FTE's, -\$2,909,000; buyout related costs, -\$547,000; annualization of January 2005 pay raise, +\$585,000; January 2006 pay raise, +\$1,313,000; grade/step increases, +\$825,000; and other personnel compensation (awards and overtime), - \$81,000.	972	\$64,791,000	-41	\$ (814,000)
2. Net change related to personnel benefits: loss of FTE's, -\$662,000; buyout related costs, -\$103,000; annualization of January 2005 pay raise, +\$132,000; January 2006 pay raise, +\$297,000; grade/step increases, +\$186,000; other changes in benefit costs (health insurance, etc.), +\$40,000.	----	14,441,000	----	(110,000)
3. Voluntary separation incentive payments (buyouts)	----	1,925,000	----	<u>(1,925,000)</u>
Subtotal, built-in compensation decreases			<u>-41</u>	<u>\$(2,849,000)</u>
<u>Program:</u>				
1. Rental payments to GSA	----	\$ 4,150,000	----	\$ (200,000)
2. Communications, utilities and miscellaneous charges	----	4,464,000	----	(80,000)
3. Consulting services	----	634,000	----	(41,000)
4. Equipment	----	1,347,000	----	<u>(406,000)</u>
Subtotal, program decreases				<u>\$ (727,000)</u>
Total decreases				<u>\$(3,576,000)</u>
Net change			<u>-41</u>	<u>\$ 0</u>

1/ Corresponds to page 12 - Administrative Expenses.

2/ Amount shown reflects an appropriation of \$103,370,000, less a 0.80 percent rescission in P.L. 108-447.

Note: Amounts rounded to the nearest thousand.

ADMINISTRATIVE EXPENSES

Budget Authority by Strategic Goal

<u>Limitation on Administration</u>	Fiscal year 2004 <u>actual</u>				Fiscal year 2005 <u>estimate</u>				Fiscal year 2006 <u>estimate</u>			
<u>Program by strategic goal</u>	<u>FTE's</u>	<u>%</u>	<u>Amounts(\$)</u>	<u>%</u>	<u>FTE's</u>	<u>%</u>	<u>Amounts(\$)</u>	<u>%</u>	<u>FTE's</u>	<u>%</u>	<u>Amounts(\$)</u>	<u>%</u>
Strategic goal:												
1. Customer service	619	59	56,357,905	56	751	77	78,238,541	76	724	78	78,754,813	77
2. Stewardship	202	19	18,114,720	18	221	23	24,304,499	24	207	22	23,788,227	23
3. Technology and automation	<u>227</u>	22	<u>26,166,705</u>	26	<u>0</u>	0	<u>0</u>	0	<u>0</u>	0	<u>0</u>	0
Total, direct program obligations			100,639,330									
Unobligated balance			<u>63,000</u>				<u>0</u>				<u>0</u>	
Total budget authority	<u>1,048</u>		<u>100,702,330</u>		<u>972</u>		<u>102,543,040</u>		<u>931</u>		<u>102,543,040</u>	

Note: The fiscal year 2005 budget includes \$20,856,510 for information technology investments and operating costs for the Bureau of Information Services.

The Railroad Retirement Board's Strategic Plan for fiscal year 2004 included these strategic goals:

1. Provide excellent customer service.
2. Safeguard our customers' trust funds through prudent stewardship.
3. Use technology and automation to foster fundamental changes that improve the way we do business.

Effective in fiscal year 2005, the strategic goals are:

1. Provide excellent customer service.
2. Serve as responsible stewards for our customers' trust funds and agency resources.

STAFFING HISTORY

Actual Full-time Equivalent Employment

<u>Fiscal year</u>	<u>Total FTE's a/</u>	<u>Change from previous year</u>	<u>Percent change from previous year</u>	<u>Cumulative FTE reductions</u>	<u>Cumulative percent change since fiscal year 1993</u>
1993	1,698 <u>b/</u>	---	---	---	---
1994	1,615 <u>b/</u>	-83	-4.9%	83	-4.9%
1995	1,483 <u>b/</u>	-132	-8.2%	215	-12.7%
1996	1,401 <u>b/</u>	-82	-5.5%	297	-17.5%
1997	1,297	-104	-7.4%	401	-23.6%
1998	1,227	-70	-5.4%	471	-27.7%
1999	1,196	-31	-2.5%	502	-29.6%
2000	1,136	-60	-5.0%	562	-33.1%
2001	1,101	-35	-3.1%	597	-35.2%
2002	1,099	-2	-0.2%	599	-35.3%
2003	1,079	-20	-1.8%	619	-36.4%
2004	1,048	-31	-2.9%	650	-38.3%
2005	972 <u>c/</u>	-76	-7.2%	726	-42.8%
2006	931 <u>c/</u>	-41	-4.2%	767	-45.2%

a/ Excludes staffing for the Office of Inspector General.

b/ Includes Special Management Improvement Fund FTE's for fiscal years 1993-1996 of 80, 58, 30, and 10, respectively.

c/ Reflects estimated FTE's to be used. In fiscal year 2006, the RRB estimates that the proposed administrative budget will allow us to fund 931 FTE's.

Funding for Major Contracts

All contracts \$10,000 and over that are planned for fiscal year 2006 are shown below.

<u>Title and description</u>	<u>Estimated FY 2006 funding (\$)</u>
<u>Information technology investments</u>	
▪ <u>IT task orders.</u> Contractor resources would be used on a task order basis to obtain assistance in application development for a variety of systems that need updating or enhancements.	250,000
▪ <u>Federal Financial System (FFS) conversion.</u> Funding will be used to perform an analysis of the conversion of FFS from a mainframe based system to a local web-based version.	200,000
▪ <u>Information security.</u> Contractor assistance will be used for evaluation of system security, development of a template of the security evaluation methodology, security training, and expansion of the intrusion detection system and procedures.	150,000
▪ <u>E-Government projects.</u> Contractor assistance will be required to develop a number of Internet-based projects that will improve customer service.	150,000
▪ <u>Document imaging.</u> Contractor assistance is required to expand the document imaging system to our field offices.	100,000
▪ <u>Enterprise architecture.</u> Funding will be used to continue enterprise architecture consulting, training, and research services.	45,000
<u>Support of benefit program activities</u>	
▪ <u>Disbursement agent.</u> Contract funding will be used to acquire the services of a nongovernmental disbursement agent, under the provision of the Railroad Retirement and Survivors' Improvement Act of 2001.	2,906,000
▪ <u>Medical fees.</u> Funding is required for medical services and hospital transcripts used to make disability determinations.	2,500,000
▪ <u>Consultative medical services.</u> Funding will be used for medical evidence reviews concerning benefit and claim matters and preparation of advisory medical opinions.	547,000
▪ <u>Contact representative training.</u> Contract funding will be used for training contact representatives.	25,000

Funding for Major Contracts

<u>Title and description</u>	<u>Estimated FY 2006 funding (\$)</u>
<ul style="list-style-type: none"> ▪ <u>Microfilm</u>. The RRB will require contractor assistance for microfilm/microfiche services. ▪ <u>Customer satisfaction index</u>. Contractor assistance will be used for administering the American Customer Satisfaction Index survey. ▪ <u>Transcription services</u>. The RRB uses contractual services to prepare transcripts of hearings regarding appeal cases for use by the Board Members. 	<p>24,000</p> <p>35,000</p> <p>10,000</p>
<u>Financial management.</u>	
<ul style="list-style-type: none"> ▪ <u>Payments to Treasury</u>. Funding is required for fees by the Department of the Treasury for issuing checks and making electronic funds transfers on the RRB's behalf, as well as postage costs incurred for RRB mailings released by the Treasury. Payments of unemployment and sickness insurance benefits continue to be made by the Department of the Treasury. 	<p>122,000 <u>a/</u></p>
<u>Administrative support.</u>	
<ul style="list-style-type: none"> ▪ <u>File management services</u>. Fees will be paid to the National Archives and Records Administration for services by the Federal Records Center to maintain the RRB claim files. ▪ <u>Photocopiers</u>. Funding is required to continue contractual services for photocopiers in the RRB's headquarters building, including high speed copiers that are used to prepare program related booklets, pamphlets, and other informational material. ▪ <u>E-Payroll</u>. Funding is required for contracted e-Payroll services provided by the General Services Administration. ▪ <u>Field office support services</u>. Funding is required for field office alterations, miscellaneous and administrative support services, and health unit maintenance agreements. ▪ <u>Computer recovery service</u>. Fees are paid for backup data processing operations in the event of an emergency or disaster. 	<p>364,000 <u>a/</u></p> <p>364,200</p> <p>275,000 <u>a/</u></p> <p>89,800 <u>a/</u></p> <p>93,500</p>

Funding for Major Contracts

<u>Title and description</u>	<u>Estimated FY 2006 funding (\$)</u>
<ul style="list-style-type: none"> ▪ <u>Employee assistance program.</u> The RRB provides professional assistance for employees with personal problems that adversely affect work performance. 	36,000
<u>Facility management service</u>	
<ul style="list-style-type: none"> ▪ <u>Building maintenance and repairs.</u> Funding is required for facility maintenance, elevator maintenance, and repairs to the RRB headquarters building. 	810,500
<ul style="list-style-type: none"> ▪ <u>Federal Protective Service costs.</u> Funding for protective services formerly included in rental payments to the General Services Administration are now billed by the Department of Homeland Security. 	449,000 ^{a/}
<ul style="list-style-type: none"> ▪ <u>Janitorial services.</u> Funding is required for janitorial services for the RRB headquarters building. 	503,500
<ul style="list-style-type: none"> ▪ <u>Building security.</u> Funding is required for guard service for the RRB headquarters building. 	<u>401,200</u>
Agency total	<u>10,450,700</u>

^{a/} Contractual services provided by Federal Government agencies comprise \$1,299,800 of the agency program total of \$10,450,700.

BUDGET AUTHORITY BY FUND

Railroad Retirement Program

	Fiscal year 2004 actual amounts	Fiscal year 2005 estimated amounts	Fiscal year 2006 estimated amounts	Increase or decrease amounts
<u>Direct Program:</u>				
Railroad Retirement Account	\$ 63,735,330	\$66,541,040	\$66,541,040	\$ 0
Social Security Equivalent Benefit Account	<u>22,503,000</u>	<u>21,328,000</u>	<u>21,328,000</u>	<u>0</u>
Total, direct railroad retirement program obligations	\$ 86,238,330	\$87,869,040	\$87,869,040	\$ 0

Railroad Unemployment and Sickness Insurance Program

Direct program:

Railroad Unemployment Insurance Administration Fund	<u>14,401,000</u>	<u>14,674,000</u>	<u>14,674,000</u>	<u>0</u>
Total, direct railroad retirement, unemployment and sickness insurance obligations	\$100,639,330	\$102,543,040	\$102,543,040	\$ 0
Unobligated balance	<u>63,000</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total, direct railroad retirement, unemployment and sickness insurance budget authority	<u>\$100,702,330 a/</u>	<u>\$102,543,040 b/</u>	<u>\$102,543,040</u>	<u>\$ 0</u>

a/ Reflects the appropriation of \$101,300,000 to the Limitation on Administration received under P.L. 108-199, less a rescission of \$597,670.

b/ Reflects the Consolidated Appropriations Act, 2005 (P.L. 108-447), which provides an appropriation of \$103,370,000, less a rescission of \$826,960, resulting in a total of \$102,543,040.

LIMITATION ON ADMINISTRATION

Financing

	<u>Fiscal year 2004 actual</u>	<u>Fiscal year 2005 estimate</u>	<u>Fiscal year 2006 estimate</u>
<u>Financing</u>			
Total, direct program obligations	\$ 100,639,330	\$ 102,543,040	\$ 102,543,040
Unobligated balance	<u>63,000</u>	<u>---</u>	<u>---</u>
Limitation	<u>\$100,702,330</u>	<u>\$ 102,543,040</u>	<u>\$ 102,543,040</u>

Relation of direct program obligations to outlays

Obligations incurred, net	\$ 100,639,330	\$ 102,543,040	\$ 102,543,040
Obligated balance, start of year	0	6,132,000	6,132,000
Obligated balance, end of year	<u>(6,132,000)</u>	<u>(6,132,000)</u>	<u>(6,132,000)</u>
Outlays from limitation	<u>\$ 94,507,330</u>	<u>\$102,543,040</u>	<u>\$ 102,543,040</u>

Note: Funds to administer the Railroad Retirement Act and the Railroad Unemployment Insurance Act are combined into a single administrative account. Funds to administer the Railroad Retirement Act are transferred from the Railroad Retirement Account and the Social Security Equivalent Benefit Account to the Limitation on Administration. Funds required to administer the Railroad Unemployment Insurance Act are transferred from the Railroad Unemployment Insurance Administration Fund to the Limitation on Administration.

The financial operations of the Limitation on Administration can also be expressed in a sources and uses of funds table as shown below.

Sources and Uses of Funds

	Fiscal year 2004 <u>actual</u>	Fiscal year 2005 <u>estimate</u>	Fiscal year 2006 <u>estimate</u>
<u>Direct program sources</u>			
Available from benefit trust funds by Congressional appropriation	<u>\$100,702,330</u>	<u>\$102,543,040</u>	<u>\$102,543,040</u>
<u>Direct program uses</u>			
Administrative expenses	\$100,639,330	\$102,543,040	\$102,543,040
Unobligated balance	<u>63,000</u>	<u>---</u>	<u>---</u>
Total uses:	<u>\$100,702,330</u>	<u>\$102,543,040</u>	<u>\$102,543,040</u>

LIMITATION ON ADMINISTRATION

Amounts Available for Obligation

	Fiscal year 2004 actual	Fiscal year 2005 estimate	Fiscal year 2006 estimate
Appropriation	\$101,300,000	\$103,370,000	\$102,543,040
Less:			
Amount rescinded in accordance with Public Law 108-199	597,670	0	0
Amount rescinded in accordance with P.L. 108-447		826,960	
Unobligated balance	63,000	0	0
Total direct obligations <u>a/</u>	<u>\$100,639,330</u>	<u>\$102,543,040</u>	<u>\$102,543,040</u>

a/ The RRB also expects reimbursements totaling about \$6.3 million in fiscal year 2004 and \$6.3 million and \$6.4 million, respectively, in fiscal years 2005 and 2006.

APPROPRIATIONS HISTORY TABLE

<u>Year</u>	<u>Budget estimate to the Congress</u>	<u>House allowance</u>	<u>Senate allowance</u>	<u>Appropriation/ continuing resolution</u>
1997	\$ 90,558,000	\$ 87,898,000	\$87,898,000	\$ 87,728,000 <u>a/</u>
1998	\$ 88,800,000	\$ 85,728,000	\$87,728,000	\$ 87,228,000 <u>b/</u>
1999	\$ 86,000,000	\$ 86,000,000	\$90,000,000	\$ 89,935,400 <u>c/</u>
2000	\$ 86,500,000	\$ 90,000,000	\$91,000,000	\$ 90,655,000 <u>d/</u>
2001	\$ 92,500,000	\$ 95,000,000	\$92,500,000	\$ 95,000,000 <u>e/</u>
2002	\$ 97,700,000	\$ 97,700,000	\$97,700,000	\$ 97,627,500 <u>f/</u>
2003	\$ 97,720,000	\$100,000,000	\$97,720,000	\$ 99,350,000 <u>g/</u>
2004	\$ 99,820,000	\$101,300,000	\$99,350,000	\$100,702,330 <u>h/</u>
2005	\$102,600,000	\$102,202,000	\$102,600,000	\$102,543,040 <u>i/</u>
2006	\$102,543,040			

a/ Amount reflects funding made available under P.L. 104-208, less a rescission and cancellation of budget authority totaling \$170,000.

b/ Amount reflects funding made available under P.L. 105-78.

c/ Amount reflects the appropriation of \$90,000,000 made available under P.L. 105-277, less a rescission of \$64,600 required by P.L. 106-51.

d/ Amount reflects funding made available under P.L. 106-113, after a rescission of \$345,000.

e/ Amount reflects funding made available under P.L. 106-554.

f/ Amount reflects funding made available under P.L. 107-116, less a rescission of \$72,500 required by P.L. 107-206.

g/ Amount reflects funding made available by P.L. 108-7, after a rescission of \$650,000.

h/ This amount reflects the Consolidated Appropriations Act, 2004 (P.L. 108-199), which provided \$100,702,330 (an appropriation of \$101,300,000, less a rescission of \$597,670).

i/ This amount reflects the Consolidated Appropriations Act, 2005 (P.L. 108-447), which provides \$102,543,040 (an appropriation of \$103,370,000, less a rescission of \$826,960).

STRATEGIC GOALS

The RRB ' s budget request for ongoing operations is distributed between two strategic goals presented in the agency ' s Strategic Plan:

1. Provide excellent customer service,
2. Serve as responsible stewards for our customers' trust funds and agency resources.

These goals are discussed in detail in the RRB ' s Fiscal Year 2006 Performance Budget, beginning on page 27. Dollar amounts and FTE allocations are shown on page 14 for each goal, representing the resources needed to achieve the performance goals. As a lead-in to the plan, the tables on the next two pages provide the summary workloads for the retirement/survivor and unemployment/sickness insurance programs.

Retirement/Survivor Benefit Program
Summary Workload Table

<u>Fiscal years</u>	<u>Average number of annuitants</u>	<u>New applications</u>	<u>Supplemental annuities awarded</u>	<u>Social Security awards</u>	<u>Reactivated applications</u>	<u>Number of payments</u>	<u>Medicare enrollments</u> ⁵
1994	819,931	48,241	8,026	6,951	62,584	10,339,329	6,158
1995	799,158	44,838	7,681	6,221	56,535	10,038,332	5,815
1996	775,387	41,756	7,256	5,440	52,731	9,890,682	5,757
1997	751,558	41,126	6,942	5,980	50,458	9,447,929	5,309
1998	727,603	38,970	7,077	5,995	47,544	9,166,205	6,242
1999	704,159	38,413	6,719	6,108	47,265	8,886,055	5,890
2000	681,779	37,549	7,266	7,838	45,924	8,626,488	5,942
2001	660,112	38,306	6,690	7,156	40,870	8,872,847	5,538
2002	641,063	42,225	12,258	5,845	41,721	8,200,488	5,124
2003	626,319	37,495	8,997	6,191	43,034	7,960,902	4,684

<u>Fiscal years</u> ¹	<u>Average number of annuitants</u>	<u>New applications</u> ²	<u>Supplemental annuities awarded</u> ³	<u>Social Security awards</u>	<u>Post-payment adjustments</u> ⁴	<u>Number of payments</u>	<u>Medicare enrollments</u> ⁵
2004	610,020	44,578	N/A	6,126	90,302	7,766,557	5,426
2005 (est)	596,900	44,000	N/A	6,000	88,000	7,600,000	5,000
2006 (est)	584,100	46,000	N/A	6,000	85,000	7,400,000	6,000

1/ Beginning in fiscal year 2004, we revised our production reporting system to enhance the methodology used and improve the accuracy of the resulting workload counts.

2/ Beginning in fiscal year 2004, includes initial supplemental annuities in addition to new retirement and survivor annuities.

3/ Beginning in fiscal year 2004, supplemental annuity counts are included in both new applications and in post-payment adjustments. A total of 9,492 supplemental annuities were awarded in fiscal year 2004. The RRB expects to award 9,000 supplemental annuities in fiscal year 2005 and 10,000 in fiscal year 2006.

4/ Beginning in fiscal year 2004, includes award adjustments and payment-related corrections to supplemental annuities and social security benefits in addition to retirement and survivor award adjustments. Also, includes overpayment/underpayment calculations and other record maintenance activities that could affect the status of previous or future payments.

5/ Excludes attainments.

Railroad Unemployment/Sickness Insurance Program
Summary Processing Workload Table

<u>Fiscal years</u>	<u>Railroad employment 1/</u>	<u>Unemployment insurance</u>			<u>Sickness insurance</u>		
		<u>Applications</u>	<u>Claims</u>	<u>Payments</u>	<u>Applications</u>	<u>Claims</u>	<u>Payments</u>
1994	266,000	23,989	190,950	159,879	30,355	205,528	170,918
1995	265,000	21,995	147,378	120,870	28,955	193,483	160,906
1996	257,000	21,143	162,434	135,863	27,291	192,630	162,130
1997	253,000	17,121	120,136	99,042	27,670	180,962	155,358
1998	256,000	13,253	82,103	67,759	26,317	170,336	146,659
1999	256,000	16,261	99,874	81,990	26,267	170,306	145,853
2000	246,000	17,720	103,934	85,756	28,039	177,709	153,143
2001	238,000	22,229	120,994	96,603	28,850	191,715	165,706
2002	229,000	20,462	129,564	106,289	28,193	193,246	167,643
2003	225,000	17,843	113,172	93,422	27,333	183,594	159,088
2004	226,000 (est)	13,419	89,367	74,790	25,737	173,515	150,033
2005 (est)	221,000	14,000	90,000	75,000	25,000	175,000	151,000
2006 (est)	215,000	15,000	94,000	79,000	26,000	177,000	153,000

1/ Average annual railroad employment is based on mid-month counts and presented on a calendar year basis.